

FUND 407

SEWER BOND SUBORDINATE DEBT SERVICE

Board of Supervisors' Adjustments

The following funding adjustments reflect all changes to the FY 2004 Advertised Budget Plan, as approved by the Board of Supervisors on April 28, 2003:

- ◆ The Board of Supervisors made no changes to the FY 2004 Advertised Budget Plan.

The following funding adjustments reflect all approved changes to the FY 2003 Revised Budget Plan from January 1, 2003 through April 21, 2003. Included are all adjustments made as part of the FY 2003 Third Quarter Review:

- ◆ An increase of \$835,708 was due to the first year accrual of interest expense on the \$50 million FY 2002 Virginia Resource Authority loan for the County's share of construction costs for the Alexandria Sanitation Authority treatment plant upgrade for ammonia removal as required by the State Water Control Board.

County Executive Proposed FY 2004 Advertised Budget Plan

Purpose

Fund 407, Sewer Bond Subordinate Debt Service, provides debt service funding for the Upper Occoquan Sewage Authority (UOSA) Bond Series and the Virginia Resources Authority (VRA) loans. The UOSA debt is based on the County's portion of the plant expansion to 54 million gallons per day. The VRA loans consisted of two-low interest loans totaling \$90 million from the State Revolving Fund Program which provides loans below the market rate to local governments within the State for sewer/water projects and is administered by the VRA and the Department of Environmental Quality. These loans will be used to offset the County's share of construction costs for the Alexandria Sanitation Authority treatment plant upgrade for ammonia removal as required by the State Water Control Board. It should be noted that pursuant to the Sewer Bond resolution and respective agreements, these debt obligations are subordinate to the County's Sewer Revenue Bonds and therefore, the payments are shown in this fund.

FY 2004 Initiatives

Funding in the amount of \$21,875,577 is required for this fund in FY 2004. Of this amount, \$2,175,438 will fund the debt service on the 1993 Bond Series, \$10,726,916 will fund the debt service on the 1995A Bond Series, \$2,326,150 will fund the debt service on the 1995B Bond Series, \$2,999,284 will support the FY 2001 VRA loan and \$3,637,789 will support the FY 2002 VRA loan. An amount of \$10,000 is also included for fiscal agent fees. All debt service payments are supported by Sewer System Revenues.

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The following table identifies the Bond Series and VRA loan payments required in FY 2004.

	Principal	Interest	Total
UOSA Plant Expansion:			
1993	\$228,123	\$1,947,315	\$2,175,438
1995A	1,693,484	9,033,432	10,726,916
1995B	1,788,338	472,091	2,260,429
1995B - Manassas Park	53,727	11,994	65,721
Subtotal - UOSA	\$3,763,672	\$11,464,832	\$15,228,504
FY 2001 VRA Loan	\$1,459,413	\$1,539,871	\$2,999,284
FY 2002 VRA Loan	1,812,677	1,825,112	3,637,789
Subtotal - VRA	\$3,272,090	\$3,364,983	\$6,637,073
Total	\$ 7,035,762	\$14,829,815	\$21,865,577

Funding Adjustments

The following funding adjustments reflect all approved changes to the FY 2003 Revised Budget Plan since passage of the FY 2003 Adopted Budget Plan. Included are all adjustments made as part of the FY 2002 Carryover Review and all other approved changes through December 31, 2002:

- ◆ An increase of \$2,027,228 in expenditures was required for the FY 2003 debt service payments on the \$50 million loan repayment from the VRA for the County's share of construction costs for the ASA treatment plant upgrade. It should be noted that this is the second and final loan from the VRA to partially fund the ASA project. This expenditure increase is offset by an increase of \$1,610,296 in the Transfer In from Fund 400, Sewer Revenue, as well as the use of savings of \$416,932 primarily due to lower than projected debt service payments in FY 2002.

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FUND STATEMENT

Fund Type G40, Enterprise Funds

Fund 407, Sewer Bond Subordinate Debt Service

	FY 2002 Actual	FY 2003 Adopted Budget Plan	FY 2003 Revised Budget Plan	FY 2004 Advertised Budget Plan	FY 2004 Adopted Budget Plan
Beginning Balance	\$1,105,695	\$0	\$983,301	\$566,369	\$566,369
Transfer In:					
Sewer Revenue (400)	\$17,208,519	\$18,236,861	\$20,682,865	\$21,309,208	\$21,309,208
Total Transfer In	\$17,208,519	\$18,236,861	\$20,682,865	\$21,309,208	\$21,309,208
Total Available	\$18,314,214	\$18,236,861	\$21,666,166	\$21,875,577	\$21,875,577
Expenditures:					
Principal Payment ^{1,2}	\$3,888,190	\$5,058,446	\$5,939,841	\$7,035,762	\$7,035,762
Interest Payment ^{1,2}	13,426,263	13,168,415	15,149,956	14,829,815	14,829,815
Fiscal Agent Fees	16,460	10,000	10,000	10,000	10,000
Total Expenditures	\$17,330,913	\$18,236,861	\$21,099,797	\$21,875,577	\$21,875,577
Total Disbursements	\$17,330,913	\$18,236,861	\$21,099,797	\$21,875,577	\$21,875,577
Ending Balance	\$983,301	\$0	\$566,369	\$0	\$0

¹ The bond principal and interest payments are shown here as expenditures. However, for accounting purposes, the Comprehensive Annual Financial Report will show these disbursements as "Construction in Progress" to be capitalized.

² In order to account for revenues and expenditures in the proper fiscal year, an audit adjustment in the amount of \$566,368.41 has been reflected as a decrease to FY 2002 expenditures to reflect the correct accruals of interest expense on the VRA loans. The audit adjustment has been included in the FY 2002 Comprehensive Annual Financial Report (CAFR).